

## Message Text

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43

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05

DHA-02 ORM-02 IGA-02 PC-01 /069 W

----- 116057

R 242120Z SEP 76

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 1544

INFO AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY CARACAS

AMEMBASSY LIMA

AMEMBASSY PA LAZ

AMEMBASSY QUITO

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E. O. 11652: N/A

TAGS: ECIN, CI

SUBJECT: ANDEAN PACT - SPECULATION ON CHILEAN ATTITUDE

REF: A) QUITO 6790, B) LIMA 8508

1. CHILEAN ANDEAN PACT REPRESENTATIVE, ADELIO PIPINO, COMMENTED ON SPECULATIONS REGARDING CHILE'S STATUS WITH RESPECT TO ANDEAN PACT ON HIS RETURN FROM LIMA THIS WEEK.

2. PIPINO SAID THAT CHILE HAD INDEED PROPOSED "ASSOCIATE STATUS" FOR CHILE FOR A PERIOD UP TO TWO YEARS (REF A). CHILE WOULD HAVE FULL VOTING POWER, WOULD RETAIN INDUSTRIAL ASSIGNMENTS MADE TO DATE, BUT WOULD BE EXEMPT FROM RESTRICTIONS OF DECISION 24. THERE IS AMPLE PRECEDENT FOR ASSOCIATE MEMBERSHIP STATUS IN REGIONAL GROUPINGS, PIPINO SAID, BUT SPECIFIC DETAILS WOULD HAVE TO BE SUBJECT TO FURTHER NEGOTIATIONS AMONG THE SIX.

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3. CHILE DID NOT DEMAND COMMON MINIMUM EXTERNAL TARIFFS (CXT)

OF 12 PERCENT (AS REPORTED IN REF B). PIPINO REPORTED THAT CHILEAN DELEGATION REITERATED RATHER ITS INSISTENCE UPON A MINIMUM CXT OF 35 PERCENT WITH A WIDE BAND WITHIN WHICH INDIVIDUAL COUNTRIES COULD SET THEIR OWN TARIFFS. PIPINO SAID THAT CHILE DOES NOT APPROVE OF ANY "AVERAGE" CXT SINCE SUCH A SCHEME WOULD OPEN TOO MANY LOOP#HOLES.

4. CHILEAN PROPOSAL REGARDING USE OF "VALUE ADDED" AS CRITERION FOR DETERMINING APPLICABILITY OF DECISION 24 WAS PUT FORTH IN LIMA MEETING/ HOWEVER, NOT AS PRESUMED IN LIMA 8508. DECISION 24, ARGUE THE CHILEANS, MIGHT APPLY TO FIRMS WHOSE EXPORTS CARRY MORE THAN 50 PERCENT VALUE ADDED FROM OUTSIDE THE ANDEAN REGION. THIS WOULD MAKE POSSIBLE FOR A FIRM WHICH IS COMPLETELY FOREIGN OWNED TO TAKE ADVANTAGE OF ANDEAN PACT MARKET WITHOUT RESTRICTION AS LONG AS MAJORITY OF INPUTS INTO ITS PRODUCTION WERE OF PACT ORIGIN. PIPINO NOTED THAT THIS SCHEME APPARENTLY MEETS APPROVAL OF COLOMBIAN PRESIDENT LOPEZ, WHO SPOKE ON THE SUBJECT RECENTLY AT THE UNIVERSIDAD PACIFICA BOLIVARIANA DE MEDELLIN, ACCORDING TO SANTIAGO PRESS.  
POPPER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEMBERSHIP, POLICIES, NEGOTIATIONS, REGIONAL ORGANIZATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Reference:** 76 QUITO 6790, 76 LIMA 8508  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 15 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <15 JUL 2004 by ShawDG>; APPROVED <25 OCT 2004 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** ANDEAN PACT - SPECULATION ON CHILEAN ATTITUDE  
**TAGS:** ECIN, CI, ANDEAN PACT, (PIPINO, ADELIO)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006